GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5402
ANSWERED ON:15.05.2007
MERGER OF MMTC, STC AND PEC
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether MMTC, STC and Project and Equipment Corporation Ltd., propose to merge into one company as reported in `Business Standard` dated April 10, 2007;

(b) if so, the reasons therefor and the modality of merger;

(c) whether the Government has held any talks with the workers` unions of these companies in this regard;

(d) if so, the steps taken by the Government to protect the interest of the workers; and

(e) the time by which these companies are likely to be merged?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b): A consultant firm was engaged to carry out a study to assess the role of MMTC Ltd., STC Ltd. and PEC Ltd. in the liberalized Indian economy and to recommend the business model and the processes these organizations should adopt and the structural changes, if any, required to adopt the recommended business model and processes for their long term sustainability and growth. The consultant firm has, among others, recommended the merger of these organizations.

(c) & (d): MMTC Ltd., STC Ltd. and PEC Ltd. have been asked by the Government to consult the employees for their feedback on the recommendations of the consultant firm.

(e): There is no decision of the Government as yet on the issue of merger of these organizations.